



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**Stacey Pickering**  
STATE AUDITOR

**Management Letter #32 Regarding:**

An Economic Development Bond Audit of Nissan North America in Canton, Mississippi

June 16, 2017

Mr. Glenn McCullough, Jr.  
Executive Director  
Mississippi Development Authority  
P. O. Box 849  
Jackson, MS 39205

RE: 2012, 2013, and 2014 Employee Verification

Dear Mr. McCullough:

Beginning on Monday, May 8, 2017, the Office of the State Auditor (OSA), performed a review of the accuracy and reliability of Nissan North America, Inc. (Nissan) employment data for years 2012, 2013, and 2014 in Franklin, Tennessee for its Canton (Madison County, Mississippi) facility.

As a legislatively approved, major economic impact bond project, the State Bond Commission authorized a total of \$364 million in general obligation bonds, during the 2000 Third Extraordinary Legislative Session, for the Nissan project. To ensure State bond funds were expended appropriately, the OSA conducted an audit of the automobile manufacturer to determine whether Nissan met its obligations according to the Delta I and II Project Memorandums of Understanding (MOU) signed in 2001 and 2002, respectively. The MOU's requires Nissan to maintain a minimum of 3,000 new direct jobs until April 1, 2021.

The audit utilized Nissan's current employee listing for the years mentioned above. The OSA examined and verified a 5% sample for each year of the following data elements: date of hire, evidence the employee was employed as of December 31, 2012, 2013, and 2014, and that employment was traceable to W-2 and W-4 tax forms as well as payroll documents provided by Nissan. ***Based on the OSA's test procedures, Nissan has met its obligation to the MOU mentioned above and has maintained a minimum of 3,000 direct jobs.*** OSA's procedures verified Nissan directly had 3,558 jobs in **2014**, 3,224 jobs in **2013**, and 3,215 jobs in **2012**. The chart below indicates the total number of jobs at the Canton, MS facility.

### Nissan Total Jobs

<b>Audit Year</b>	<b>Direct Jobs</b>	<b>Indirect Jobs</b>	<b>Total Jobs</b>
<b>2012</b>	3,215	2,594	5,809
<b>2013</b>	3,224	3,265	6,489
<b>2014</b>	3,558	3,516	7,074

Nissan employment verification for the project is required to be maintained until April 1, 2021; at which time, OSA will conclude its monitoring oversight.

Sincerely,



Brandie Branch  
Project Manager

cc: Governor Phil Bryant  
Lt. Governor Tate Reeves  
Philip Gunn, Speaker of the House  
Jay McCarthy, Mississippi Development Authority  
Sanja Udovicic, Nissan North America